Liberty Utilities (Peach State Natural Gas) Corp.
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STF-32-1

When comparing schedule 4 of the 2026 GRAM to schedule 4 of the Q2 quarterly report, column. Please explain the following:

a. Does Line 5 Transportation revenue of $ 5,195,176 in Q2 include Fort Benning Special Contract? Please explain how to track the Income statement.

Response:

a. Yes, the Transportation revenue of $5,195,176 includes the historic test period amount of current rate revenues associated with the Fort Benning Special Contract. These revenues, along with other Transportation customer revenues, are reported on the Income Statement under Row 18, which corresponds to FERC Account 4893 – Rev-Transportation of Gas Others.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

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STF-32-2

In WP4, Cell C9, when the company excludes Senior/Low-Income historical bills from the total number of bills, does this exclusion also apply to the corresponding volumes CCF reported in Cell D9? Please clarify.

Response: No this exclusion does not apply to volumes as well. The volumes associated with Senior/Low-Income historical bills are included in the volumes reported in Cell D9.

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STF-32-3

In WP4, Cell E9, the residential adjustment to bill is linked to WP 4 -1, Cell E11. Please explain what the Other Adjustments in WP 4-1-A mean in column D, which refers to WP 4-1-A Rev Adjs. Additionally, all the numbers in the sheet WP 4-1-A Rev Adjs are hard-coded. Please explain the purpose of the sheet and whether these numbers can be linked.

Response:

The values shown on WP 4-1-A (cell range B8:O9) represent adjustments tied to specific residential development growth projects listed on WP 2-1-2 Cap Spend. These adjustments address situations where the Company identified atypical growth in the residential housing sector that is not fully captured by usage and customer counts adjustments calculated on WP 4-1-1 Cust Growth.

By combining the residential customer usage amounts from WP 4-1-A and WP 4-1-1, the Company adjusts the historical test year billing units to reflect the expected level during the rate-effective period.

The Company has not linked calculations on WP 4-1-A in the past associated with specific individual customer adjustments but is willing to incorporate additional support work papers in the GRAM filing upon mutual agreement to do so, such that the values on WP 4-1-A can be better explored.

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STF-32-4

In WP4, Cell M46, the Special Contracts - Transportation for Fort Benning expired on December 31, 2024, and a new contract started on October 1, 2025. Please explain why the contract was on a month-to-month basis until September 2025 and became effective in October 2025. Also, why did it not become effective from March 1, 2025, test year?

Response:

Negotiations with Fort Benning on the terms of a new transportation contract took longer than expected. To maintain service continuity, both parties agreed to extend the prior contract on a month-to-month basis until negotiations were finalized.

The new contract became effective with the first billing cycle following execution, which occurred in October 2025, after all terms were agreed upon and signed. It did not take effect on March 1, 2025, because negotiations were still ongoing at that time, and the parties had not reached a final agreement.

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STF-32-5 In WP 4-1-1, Cell D19 shows the Residential Compound Growth Rate.

a. Please explain why there is an annual reduction in residential customer accounts, such as a decline is due to disconnected accounts, customer migration, fuel-switching, or other causes.

b. Liberty receives $440,000 every year for marketing initiatives to retain customers. However, the company has only used $214,394 of that amount as of June 30, 2025. Please explain in detail how the company has spent that money and what the results have been.

c. Does Liberty have a dedicated person as a contact when a party wants to access the funds related to customer retention and growth?

d. Is Liberty planning to spend any additional funds towards marketing-related initiatives to gain residential customers?

e. Why doesn't Liberty use the same billing unit and volume forecast as used in the annual Gas Supply Plan filing to maintain consistency in the forecast methodologies?

Response:

a. The decline is not due to customer migration or fuel switching. It reflects the normalization of customer counts following the Customer First enterprise software migration, during which a moratorium on service shutoffs temporarily inflated account volumes. Once the moratorium ended, account levels returned to typical levels, creating the appearance of a reduction in customers on WP 4-1-1.

b. The $214,394 is for builder rebates offered in Columbus and Gainesville. They are primarily tied to The Orchards and the Hieferhorn Farms developments, both of which are 100+ lot housing developments.

c. Larry Derby, Key Accounts Manager, is the designated contact for all requests in Georgia.

d. The Company plans to make use of the entire $440,000 provision in the future rate effective period by ramping up rebate offerings which should exhaust the remaining target funding levels.

e. The Gas Supply Plan and the GRAM filing are based on different forecast periods: GRAM: March–February and the Gas Supply Plan: October–September

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STF-32-6

Please explain why the Adjustment for commercial Customer Usage in WP 4-1-3, cell C13, does not include 830 Large commercial customers. However, 830 customers are included in the adjustment in WP 4-1-1. Also, please explain the footnote in WP 4-13 that mentions "All Commercial treated as 820 tariff; There are fewer than 15 customers on 830" when WP 4 shows more than 15 customers in WP 4, Cell C16.

Response:

The commercial usage adjustment on WP 4-1-3 is based on WP 4-1-3-1, which evaluates only heating degree day sensitive commercial customers. This approach ensures that usage updates reflect actual weather impacts during the historic period.

The 830 Large Commercial customers are intentionally excluded because their usage patterns are generally not weather-sensitive, and including them could distort the adjustment.

Regarding the footnote on WP 4-1-3, It was not updated to reflect the correct count of 22 customers, as shown in WP 4, Cell C16.

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STF-32-7

In WP 4-3-1, cell E8, the Residential Revenue Class percentage includes 822 revenues in its Total calculation. While this is consistent with the 2025 GRAM filing, it appears inconsistent with other parts of the GRAM filing. Please explain the following inconsistencies:

a. 822 customers have been counted as part of the Commercial totals in WP 4-1-6 Cells F210 through H221, which impacts the Commercial billing and volume adjustments in Line No. 2 of WP 4-1.
b. 822 revenues are classified under Comm & Ind in WP 4 Rev, cell P14.

Response:

a. See response to STF-30-40 where this has been corrected in the Revised Alternative 2026 GRAM filing.

b. See response to STF-30-40 where this has been corrected in the Revised Alternative 2026 GRAM filing to reflect 822 as Residential.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

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STF-32-8

In WP 4-4 GRAM Rate Impact, 840 CNG customers, Cell F35, the volumetric charges calculation was left blank, but WP 4-3 shows 12 as projected number of bills. If we follow the same calculation as the other rate classes, it appears the formula should read: **= ('WP 4-3 Rate Calc'!D21/'WP 4-3 Rate Calc'!C21*E35).** Please explain if this assumption is correct, and if not, why there are no volumetric charges for 840 CNG customers.

Response: The Company agrees to correct Cell F35 as specified.

Submitted by: Adam Bigknife – Liberty – Sr. Manager Rates and Regulatory Affairs

Liberty Utilities (Peach State Natural Gas) Corp.
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STF-32-9

Please correct the following errors:

a. In WP 4-1, the number 3 is used twice for Line numbering.
b. In WP 4-1, Cell B17, 830 General Gas Service – Commercial should be Large Volume Service – Commercial.

Response:

The Company made both corrections in the Revised Alternative 2026 GRAM.

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STF-32-10

The header says "Twelve Months Ending February 28, 2026" rather than 2027. Please correct this error.

Response: The discrepancy in the reporting period header has been noted. The correction to reflect "Twelve Months Ending February 28, 2027" will be incorporated in the revised GRAM filing.

Submitted by: Dhawni Chedda – Liberty –Rates and Regulatory Affairs Analyst

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STF-32-11

In WP 5, Line 42, Customer Accounts-Uncollectible accounts, there is an adjustment of $(670,743) which references WP 5-1-3 Uncollectible. Please answer the following:

a. Please explain why the write-off amounts go from $3,806 in Sep 2024 to $2,745,681 in October 2024.
b. Are these write-offs related to residential or commercial customers?
c. Are residential, commercial, and industrial customer write offs treated differently?
d. Please explain what the modified book adjustment to expenses is (Cell F27)?
e. Why does the modified book adjustment to expenses have a 2-year average of $121,281 related to years 2022 and 2023 (according to the accompanying comment in Cell F27)? why is it not the average of 2024 and 2025?

Response:

a. In April of 2022, the Company implemented a moratorium on delinquent customer account shutoffs while the Customer First enterprise software conversion was underway. During the moratorium, uncollectible receivables accumulated until shutoffs were resumed in July of 2024 after deployment and configuration of the Customer First system. Accounts that were yet to be collected entered the write off process and resulted in the recognition of the backlog of bad-debt write-offs in 2024.
b. Yes, these write-offs are related to residential and commercial customers.
c. No, the residential, commercial, and industrial write-offs are not treated differently.
d. The Modified Book Adjustment to Expenses shown in Cell F27 represents the average uncollectible account balance for fiscal years 2022 and 2023. This modified approach is applied in place of the actual book adjustment for the review period because, during the moratorium, Liberty did not execute standard debt-write-off practices. The absence of write-offs resulted in an inflated uncollectible balance that does not reflect typical operating conditions. Accordingly, the use of 2022 and 2023 data is intended to approximate a normal level of uncollectible expenses and

ensure that the adjustment reflects business-as-usual conditions rather than the temporary effects of the moratorium

e. As mentioned in the response STF 32-11d, the Year 2022 and 2023 reflect the normal level of uncollectible account whereas Year 2024 and 2025 do not reflect the business-as-usual conditions therefore using the Average Uncollectible balance for Year 2022 and Year 2023.

Submitted by: Dhawni Chedda – Liberty –Rates and Regulatory Affairs Analyst

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STF-32-12

In WP 5-1 Adjs, line 2 Sales – Miscellaneous, cell E11, the formula is pulling from WP 5 E99. Should it be pulling from F99?

Response: Upon review of WP 5-1 Adjustments, Line 2 – Sales: Miscellaneous, it is confirmed that Cell E11 is correctly referencing WP 5, Cell E99. This linkage is appropriate because the adjustment is intended to reduce the historical Miscellaneous Sales balance as of June 2025. The authorized marketing incentives totaling $440,000 for Liberty are incorporated within Schedule 5, and therefore the reference to Column E—rather than Column F—accurately reflects the required historical adjustment.

Submitted by: Dhawni Chedda – Liberty –Rates and Regulatory Affairs Analyst

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STF-32-13

In the 2026 GRAM, WP 5, line 58, for account 9200, 8862-2-0400-69-5010-9200, A&G-Administrative & general salaries shows an HTY actual on column E of ($5,009). Also in WP 5, line 51, account 920, 8862-2-9860-69-5010-9200 A&G-Administrative & general salaries shows an HTY actual on column E of ($254,627). Please explain the reason why these salaries are negative.

Response: Please refer to Response STF 27-6. The ($5,009) balance for FERC 9200 A&G Salaries is a result of an entry made in July 2024 to adjust an incorrect overhead credit that was placed on a capital project. The adjustment for overhead credit is not anticipated to reverse or recur in future periods. The ($254,627) balance in FERC 9200 A&G salary is due to the December write-off ($462,143) to algin account balances with updated pension and OPEB disclosures.

Submitted by: Dhawni Chedda – Liberty –Rates and Regulatory Affairs Analyst

Liberty Utilities (Peach State Natural Gas) Corp.
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STF-32-14

In WP 5, Line 61, regarding HO Allocations Capitalized, Liberty is adjusting the amount of $612,393, which is linked to WP 5-1-4.

a. Please explain how to track adjusted dollar amounts in the Income Statement, as they are hard-coded in the WP 5-1-4.
b. Part of the adjustment $(156,774) is linked to WP 5-1-2 Allocations. Please explain why the Calculation of Amounts Charged to Each Entity shows APCo when Liberty sold APCo's renewable assets in February 2025, and the remaining assets will be under Hydro. Does Liberty agree to correct the entity name?
c. As mentioned in the footnote, what was the capitalization factor before, and how much has changed in the forward-looking test year, and how will this change impact the GRAM process?

Response:

a. Please see response STF 31-2 b. Liberty has agreed to remove the WP 5-1-4.
b. Liberty has confirmed that the reference to "APCo" in the Calculation of Amounts Charged to Each Entity was incorrect, given that APCo's renewable assets were sold in February 2025 and the remaining assets are now under Hydro. Liberty agrees to revise the GRAM filing accordingly and will update the entity name from APCo to Hydro in the revised GRAM filing.
c. The capitalization factor applied in the 2025 GRAM filing was 31.90%. For the forward-looking test year in the 2026 GRAM filing, this factor has increased to 32.51. This adjustment results in a greater proportion of costs being capitalized rather than expensed. Therefore, the historical expense levels used in the GRAM process are reduced to reflect the updated capitalization treatment, ensuring that the GRAM calculations remain consistent with the utility's current accounting practices.

Submitted by: Dhawni Chedda – Liberty –Rates and Regualtroy Affairs Analyst

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STF-32-15

In WP 5, Line 62, A&G-Outside services employed – Allocations, adjusted $2,199,513. Please answer the following:

a. Are these adjustments related to labor? If yes, does Liberty agree to add a description in column D (WP 5) and column C (WP 5-1)?
b. When tracking dollar amount to WP 5-1 Adjs, this refer to WP 5-1-4, in which the footnote mentions that O&M Savings are attributed to Service Company Labor and Non-Labor targeted budget reductions and capital reduction. Please explain what the driving factors for the changes.
c. Is this change for the forward-looking test year? Is this a one-time change, or does it change every year? Was it implemented in the historic year?
d. Does this change in outside service allocation apply to Georgia only, or to all subsidiaries?
e. As Liberty mentioned that there is a shift from a non-union to a union workforce at Liberty, please explain if the shift will affect the GRAM O&M?

Response:

a. These adjustments are related to labor. But please see response STF 31-2b. Liberty has agreed to remove the WP 5-1-4.

b. Please see response STF 31-2 b. Liberty has agreed to remove the WP 5-1-4.
c. As mentioned in response to STF 31-2b. Liberty has agreed to remove the WP 5-1-4. Therefore, there will be no change for the forward-looking test year or historical year.
d. Please see response STF 31-2 b. Liberty has agreed to remove the WP 5-1-4.
e. Liberty made an adjustment in 2025 GRAM to reflect the union contract change which was not part of the historical expense. For the 2026 GRAM, the costs arising from the union contract are already embedded in the historical operating expenses. As a result, no further adjustment to O&M is required for the 2026 GRAM.

Submitted by: Dhawni Chedda – Liberty –Rates and Regulatory Affairs Analyst

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STF-32-16

In WP5, Line 62, FERC account 9234, A&G-Outside service Allocations (non-labor), Staff was able to map the account to two sub-accounts: row 117 A&G-Outside services employed - Allocations (non labor) that shows an HTY actual amount of $1,849,897 (Cell E117) and row 116, A&G-Outside services employed – Allocations that shows an HTY actual amount of 3,562,700 (Cell E116), for a total of $5,412,597. When attempting to match the amount with its corresponding account in the Q2 2025 Income Statement, account 9234 can be found in rows 386 and 387, which show HTY amounts of $0 and $456,032.

a. The staff was able to reconcile the account by adding Income Statement rows from 386 to 395, which include various FERC accounts. Please explain why, in the Income Statement, Liberty is splitting the total of $5,412,597 into different FERC accounts.
b. Staff has noticed this reconciliation issue in various accounts. Does Liberty agree to either keep account consistency in the GRAM and Q2 WP 5 and the Income Statement, or add clarification notes for accounts reconciliation and the dollar amount to aid in the staff's review?

Response:

a. Liberty has indicated that the total amount of $5,412,597 is allocated across multiple FERC accounts because the underlying costs consist of both labor and non-labor components. During the preparation of the WP 5-1-4 O&M savings adjustment, Liberty determined that these allocation categories must be separated to ensure that the appropriate inflation factors are applied. Specifically, historical labor-related expenses are escalated using labor inflation, while non-labor expenses are escalated using general inflation. As a result, the company separated the total amount into the corresponding FERC accounts to align each cost component with the correct inflation treatment and maintain consistency with the methodology used in WP 5 O&M.
b. Liberty has indicated that it will include clarification notes within the Quarterly Filing going forward, specifically in WP 5 O&M, to address the reconciliation of matters identified by Staff. With respect to the Annual GRAM filing, Liberty explains that WP 5 O&M is structured to apply historical expenses to the appropriate labor and general inflation factors in order to derive the forward-looking expense balance. Liberty notes that

modifying the Annual GRAM presentation could affect the application of these inflation factors and potentially compromise the integrity of the forward-looking calculations.

Submitted by: Dhawni Chedda – Liberty –Rates and Regulatory Affairs Analyst

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STF-32-17

For FERC account 9260, A&G-Employee pensions and benefits, answer the following:

a. In WP 5, lines 78 and 82 show an HTY amount of $792,575 and $61,492, for a total of $854,067. How did Liberty arrive at these dollar amounts for the historic period? The Staff can see calculations in the 2nd Q 2025 income statement.
b. In Q2 2025, WP 5, line 97, account 9260 shows an HTY amount of $1,346,088. Please explain the inconsistencies between Q2 WP 5 and 2026 GRAM WP 5.

Response:

a. The Income Statement reports total Group Benefits of $1,552,518, which includes both general group benefit costs and medical expenses, which are separated on WP 5 Line 78 and Line 83. Under the stipulation, Liberty is permitted to apply general inflation to all Group Benefits except for medical expenses, for which no inflation factor may be applied. Accordingly, the $792,575 shown on WP 5 Represents Group Benefits total net of medical expenses. The $61,492 shown on WP 5 corresponds to the total Workers' Compensation expense, consistent with the amount recorded in the Income Statement at Line 237 (FERC Account 9260).
b. The Q2 2025 WP 5 presentation of Line 97 (Account 9260) reflects a consolidated total that includes the balances from FERC Accounts 9260, 9261, 9262, 9263, 9264, 9266, 9267, 9268, and 9269. In contrast, the 2026 GRAM WP 5 presentation limits Line 97 to only the costs recorded in FERC Account 9260, representing Group Benefits. This difference in account aggregation results in the inconsistency between the two workpapers.

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STF-32-18

In the 2026 GRAM, WP5, line 83, account 9267 A&G-Employee pensions and benefits, shows an HTY amount of $759,943. However, the Q2 2025 Income Statement, row 226, account 9267, Dental, shows an HTY amount of $0. Please explain this inconsistency.

Response: The apparent inconsistency arises from differences in how medical-related costs are grouped for reporting versus how they are disaggregated for the purposes of the GRAM workpapers. As stated in Response STF 32-17a, medical expenses—including dental—are consolidated within the broader Group Benefits category in the Q2 2025 Income Statement. Because these costs are embedded within the Group Benefits total, the specific Dental account (9267) appropriately reflects an HTY balance of $0 in that statement. In contrast, Workpaper 5 for the 2026 GRAM separates these same medical-related costs into distinct components in order to apply the inflation factors required under the stipulation. Dental costs are isolated in WP5 because they are subject to a different (zero) inflation factor. This separation results in the HTY amount of $759,943 appearing under account 9267 in WP5 not inflated, even though the same costs were grouped within a broader category in the Q2 2025 Income Statement.

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STF-32-19

For FERC account 9261, answer the following questions:

a. In the 2026 GRAM, WP 5, account 9261, line 87, cell E145 shows $88,630 as HTY actual. However, in the Q2 2025 Income Statement, account 9261 cells BE239 ($3,809), BE240 $18,417, and BE241 $390,214 make a total of $404,822. Please explain this inconsistency in amounts.
b. Please explain why this FERC account is missing in Q2 2025 WP 5.
c. In WP5, regarding the HTY data in Column E, there were slight variances in the accounts below compared to the Q2 2025 Income Statement, though the total variances net to $0. Please provide information about how these accounts are related.

Account Number	Account Description	Factor Type
8862-2-0400-69-5044-9260	A&G-Employee pensions and benefits	General
8862-2-0400-69-5044-9267	A&G-Employee pensions and benefits	Medical
8862-2-0400-69-5044-9262	A&G-Employee pensions and benefits	OPEB
8862-2-0400-80-8551-9262	A&G-Employee pensions and benefits	OPEB
8862-2-0400-69-5043-9261	A&G-Employee pensions and benefits	Pension
8862-2-0400-80-8551-9261	A&G-Employee pensions and benefits	Pension

Response:

a. The amount of $88,630 reported in the 2026 GRAM, WP 5 (Account 9261, Line 87, Cell E145) represents the Pension Expense after appropriate adjustments required for regulatory reporting. This figure is not directly comparable to the $404,822 shown in the Q2 2025 Income Statement for Account 9261 because the Income Statement aggregates several components that must be separated for GRAM reporting purposes.

Specifically:
The Income Statement values in cells BE239, BE240 reflect the cash-basis Pension balance and Non-Service Pension Cost, which includes:

- Pension Expense.
- Overhead Pension Expense.
- Overhead OPEB Expense.
- Non-Service Pension Cost.
- For GRAM WP 5, only the components applicable to Pension Expense are included.

The reported $88,630 therefore reflects the sum of:

- Pension Expense.
- Overhead Pension Expense.
- Non-Service Pension Cost.
- Overhead OPEB Expense is excluded, as it is not part of the Pension Expense classification for GRAM purposes.

The apparent inconsistency arises because the Income Statement total includes OPEB-related overheads that are not permitted to be included in the GRAM Pension Expense line. Once these non-pension components are removed, the remaining amount reconciles to the $88,630 reported in WP 5.

b. Please refer to response STF 32-19a.
c. As previously stated in response to STF 32-19(a), the Cash Balance Pension account reflects not only Pension Expense but also includes overhead allocations associated with both Pension and OPEB (Other Post-Employment Benefits) expenses. To isolate the OPEB balance, the portion of overhead attributable to OPEB—currently embedded within the Cash Balance Pension Expense—is reallocated and added to the direct OPEB expense. This adjustment yields the total OPEB expense for reporting purposes. With respect to Medical and General Expense, the Company's explanation is addressed in response to STF 32-17(a), which should be consulted for further detail.

Submitted by: Dhawni Chedda – Liberty –Rates and Regulatory Affairs Analyst

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STF-32-20

Regarding the WP 5-1-2 CAM Factors adjustments, the Technical Services calculations in J155 and J223 are the only cells in Column J that use the Gas Allocation Factor in K76, which is significantly higher than the Composite Corporate Allocations from K74 used in every other calculation in this column. Please answer the following:

a. Please explain what the Technical Services are and how they are calculated.
b. Please confirm whether the correct allocation factor was used to calculate the allocated costs for Technical Services.
c. Please explain why the Gas Allocation Factor is significantly higher than the Composite Corporate Allocations.

Response:

a. Technical Services are centralized functional teams established to support the utilities in achieving enhanced safety, reliability, regulatory compliance, and operational consistency. As previously outlined in STF 27-7, these teams were created to standardize processes, procedures, and systems across the organization. Three distinct Technical Services groups were formed, each dedicated exclusively to one utility type: gas, electric, or water. Costs incurred by the gas-focused Technical Services team are allocated solely to the gas utilities, which include Liberty Utilities (Midstates Natural Gas) Corp., Liberty Utilities (EnergyNorth Natural Gas) Corp., Liberty Utilities (Peach State Natural Gas) Corp., Liberty Utilities (New England Natural Gas Company) Corp., The Empire District Gas Company, New Brunswick, and Liberty Utilities (St. Lawrence Gas) Corp. The allocation factor is based on weighted measures of plant investment, number of customers, non-labor operating expenses, and labor expenses attributable only to the gas utility operations. This methodology is intended to ensure that cost distribution reflects the relative size and operational characteristics of each gas utility.
b. Yes, the correct allocation factor is being used in Annual GRAM filing as only Gas utilities are allocated the Technical Service Cost.
c. The Gas Allocation Factor is higher because it is calculated solely on the basis of costs attributable to the gas utility. In contrast, the Composite Corporate Allocation reflects a broader allocation methodology that

distributes corporate costs across all utility operations. As outlined in STF 32-20a, the Gas Allocation Factor therefore represents a more concentrated allocation to the gas business, while the composite factor is diluted by inclusion of all utility segments.

Submitted by: Dhawni Chedda – Liberty –Rates and Reguloatory Affairs Analyst

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STF-32-21

In WP 5-1-2, Cell J202 – Total Rewards, the Liberty Allocation Factor for Training in Column U was used in place of the Total Rewards factor in Column S, which are equal. Please correct this error.

Response: The Allocation Factor for Training in Column U was incorrectly referenced in place of the Total Rewards factor in Column S. This will be corrected to ensure that Column S is used as the source going forward. As the allocation factors in Columns S and U are identical (98.3%), this correction does not result in any financial impact. OBJ

Submitted by: Dhawni Chedda – Liberty –Rates and Regulatory Affairs Analyst